FY05 Bases and Forces Fiscal Code Changes

Senior Financial Managers Seminar

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MARADMIN 320/03

- **Activity Based Resource Management (ABRM) Implementation**
  - **Requires linkage of Resource Execution to Marine Corps Programming Codes (MCPC)**
  - **Requires linkage of Resource Execution to approved Business Processes**
  - **Requires linkage of Performance Metrics to Resources**
- **P&R responsible to ensure relationship exists between SABRS Codes and MCPC/Business Process**

CURRENT BASE FISCAL CODE WEAKNESSES

- **No Direct Link to MCPC**
- **No Direct Link to Business Process**
- **Civilian Series recorded against any CAC commands determine/decide**
- **Too Many Codes – CACs, BEAs, BESAs,**
- **No Standard/Specific guidance on Code Usage**
- **Interpretation of Code assignment/usage different by commands**

THERE IS NO STANDARD

PROPOSED BASE CODE STRUCTURE "END STATE"

- **Proposed Base Financial Code changes will accomplish:**
  - **Reduce number of codes**
  - **Standardize use of codes when recording transactions**
  - **Link Civilian labor to specific MCPC and Business Process**
  - **Link Execution with Budget and Programming Process**
  - **Allow creation of Enterprise Wide Activity Resource Model**

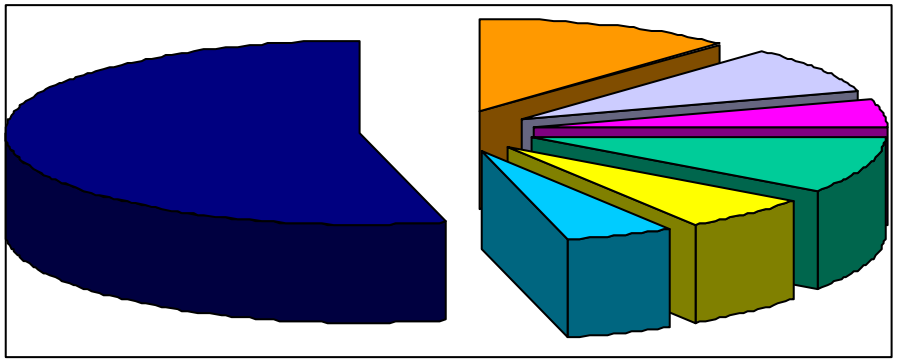
FIRST STEP – COST ACCOUNT CODES

- **Elimination of non-value codes (FY03 efforts 900+, this effort additional 80)**
- **Approx 275 Remain for Bases in FY05**
  - **85 for MCCS Functions**
  - **36 for FSRM Functions**
  - **26 for Environmental Functions**
  - **128 for all other Base Operations:**
    - ✓ **Utilities, Transportation, Facilities Services**
    - ✓ **Communications/IT, Command Spt, Supply**
    - ✓ **Financial/Personnel Mgmt, Training/Ops**
    - ✓ **Safety, Air Operations Support**

SECOND STEP- LINK CIVILIAN SERIES TO COST ACCOUNT CODES

- **Single largest expense type at bases is Civilian Labor**
- **Currently labor series assigned to any CAC the commands determine appropriate**
- **FY05 Link Civilian Series to a specific CAC or series of CACs**
  - **All Financial Series (0500) goes to 1C10**
  - **All Supply Series (2000) go to 3 CACs (Ops, Warehouse, Mat Mgmt)**
  - **All Administration Series, I.e. Secretaries, Admin Officers goes to 1A10**
- **This change will allow the "true" cost of Financial Mgmt, Supply Mgmt, Admin/Clerical, etc. recording in SABRS with direct link to MCPC.**

EXAMPLE BASE OUTLAYS
EXPENSE TYPE/PROGRAM



- Utilities (M&S) 12%
- MCCS (M&S) 8%
- Environ (M&S) 5%
- Svc Cont/GME 10%
- Other 6%
- Comm/IT 5%
- Civilian Labor 54%

THIRD STEP- STANDARDIZE BEA CODES

FOR ALL BASES

- **Series linked to CAC provides an overall MCPC view, but does not identify what process benefited. Ex.**
  - **Command has 15 Budget Analysts**
  - **Only 7 Work in Comptroller (Financial Resource Mgmt)**
  - **8 Support other functions, I.e Facilities Services, Info Mgmt, etc.**
  - **CAC to series does not reflect the overhead cost of financial mgmt services to other functions and processes.**
- **Solution – Standardize Base Budget Execution Activity codes to identify Business Process.**

INFORMATION FROM CAC & BEA TOGETHER

- **Use of both codes will allow for an Enterprise View:**

MCPC VIEW BEA BUSINESS PROCESS VIEW

CAC 1C10 CF - Mgmt Fin Resource (7) = $420K
15 Employees @60K DV - Provide Voice (1) = $ 60K
Financial & Personnel Mgmt LT - Provide Transport (1) = $ 60K
630304 = $900K Execution LS - Provide Supply (2) = $120K
FF - Provide Fac Svc (2) = $120K
FE - Provide Environ Svc(2) = $120K

Use of CAC and BEA will allow for true MCPC and Business Process Cost views. The effect is approximating an ABC concept of cost distribution without manual or % distribution in a model. Allows for an "automated" Enterprise Level model solution.

PROPOSED CHANGES TO FY05 FORCE CODES

- **Desired "End State" is to link field level forces execution to MCPC codes and position forces for future ABRM initiatives.**

- **This will be accomplished by:**
  - **Changing entire CAC structure for Forces**
  - **Standardizing BEA codes to Unit Type**

FORCES CAC CHANGES

- **Currently there are 278 CACs for Forces with no link to MCPC**
- **Proposal for FY05 is 31 CACs for Normal Garrison training and operations.**
- **Use of proposed CAC in conjunction with Special Interest Codes for Exercises, DLRs, etc. will link execution to forces MCPCs.**

SAMPLE OF NEW FORCES CACs

CAC	***TITLE***	***MCPC Default w/no SIC***
G4E1	**Maint Ordnance Equip Unit Level**	**600104 (Ops/Trng)**
G4E2	**Maint Ord Equip Intermediate**	**600104 (Ops/Trng)**
G3M1	**MEF Level Training**	**600404 (USMC Ex)**
G3J1	**JCS Level Training**	**601198 (JCS Ex)**
G4T2	**Transportation UDP**	**600604 (UDP Pgm)**
G3FS	**Formal Schools Trng**	**601298 (Schools)**
G601	**IT/Comm Spt/Ops**	**600104 (Ops/Trng)**
G201	**Intel Ops/Spt**	**600104 (Ops/Trng)**
G501	**Theater Engagement/Future Plan**	**600104 (Ops Trng)**

QUESTIONS?